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DEPT FOR EAP/MTS, EAP/RSP, S/CT,
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TAGS: [EFIN](#) [ETTC](#) [PGOV](#) [PREL](#) [PTER](#) [ID](#)
SUBJECT: TERRORIST FINANCE: THE GOI AND 1267 DESIGNATIONS

REF: A. STATE 83455

[1](#)B. JAKARTA 2527
[1](#)C. STATE 22847

Classified By: Economic Officer Tobias Glucksman for reasons 1.4 (b) and (d).

[1](#)1. (S) Summary: This cable provides post,s responses and comments to questions and issues raised in ref a. Embassy Jakarta supports the creation of a bilateral group to discuss counter terrorism finance (CTF) issues and sees a proposed U.S.-Indonesia Justice Sector Joint Working Group (JSJWG) Counter Terrorism (CT) Subcommittee as the most practical and effective vehicle. We owe an answer to the GOI on how we envision structuring the JSJWG. Indonesia,s Financial Intelligence Unit (PPATK) has a link to the UNSCR 1267 list on its website, but the organization lacks statutory authority to order financial institutions to look for and report matching accounts. Working closely with the PPATK and other agencies we want to help the GOI incorporate such authorities in draft amendments to Indonesia,s Anti-Money Laundering (AML) law. A proposed UNSCR 1267 Monitoring Team visit to Jakarta could prove helpful in prompting more effective GOI action. The Indonesian National Police,s chief CTF investigator has promised to provide us a report on ref c specific asset leads in the coming days. End Summary

[1](#)2. (S) Embassy Jakarta supports the creation of a bilateral working group that could hold more structured and constructive discussions on counter terrorism finance (CTF) issues. We see this best accomplished through the counter-terrorism working group envisioned under a proposed U.S.-Indonesia Justice Sector Joint Working Group (JSJWG). The JSJWG would meet once or twice yearly and through working level subcommittees address a broad range of justice sector issues, including counter-terrorism (CT), corruption, law enforcement cooperation, judicial capacity building, and criminal conspiracies, financial crime and money laundering. Addressing CTF issues within the broader context of our overall bilateral CT dialogue provides the best way to highlight CTF issues with key Government of Indonesia decision makers. Presidents Bush and Yuhoyono endorsed the establishment of the JSJWG when they met in Washington in May 2005, and most recently Indonesia Attorney General Abdul Rahman Saleh discussed the JSJWG during his February 2006 meeting with Attorney General Gonzales in Washington. We owe an answer to the GOI as to what level should lead the JSJWG and how we would prefer to structure possible sub-committees.

[1](#)3. (S) Indonesia,s Financial Intelligence Unit (PPATK) has a link on its official website that directs users to the

UNSCR 1267 list. The PPATK, however, does not have the authority to order banks and other financial institutions to check their records and accounts against new UNSCR 1267 listings and report back any suspicious findings. Proposed amendments to Indonesia,s anti-money laundering (AML) law could provide the PPATK with such authorities, as well as the authority to temporarily freeze accounts. We continue monitor the AML law amendment process closely and to encourage the PPATK and other agencies to consider measures that would improve the GOI,s implementation of UNSCR 1267.

¶4. (S) We support a visit by a UNSCR 1267 Committee Monitoring Team. The visit would help raise awareness about deficiencies in GOI UNSCR 1267 implementation and perhaps generate broader GOI support for expanded PPATK authorities and other efforts to improve its UNSCR 1267 implementation.

¶5. (S) The Indonesia National Police,s chief CTF investigator told us he soon will provide us a report of his unit,s investigation into ref c specific assets leads provided the GOI in February.

AMSELEM